

EE

LAW OFFICES
ROSENFELD, MEYER & SUSMAN
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

UNITED CALIFORNIA BANK BUILDING
9601 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90210

VICTOR S. NETTERVILLE (1925-1968)

TELEPHONE (213) 858-7700
CABLE ADDRESS: ROMERSU
TELECOPIER: (213) 271-6430
TELEX: 194-195

MARVIN B. MEYER*
DONALD T. ROSENFELD*
ALLEN E. SUSMAN*
GEORGE C. ZACHARY*
JEFFREY L. NAGIN*
NORMAN H. GAREY*
GARY A. SCHLESSINGER*
LAWRENCE S. KARTIGANER*
DAVID D. WEXLER*
ROBERT H. THAU*
MELVIN ZIONTZ*
ROBERT M. DUDNIK*
STEPHEN A. KROFFT*
JOHN G. DAVIES*
ROBERT C. BOFFA*
E. BARRY MALDEMAN*
KENNETH MEYER*
BILLY H. HUNT*
JOSEPH D. PECKERMAN*
ALAN S. WERTHEIMER*
WILLIAM BILLICK*
STEVEN FAYNE*
GAIL MIGDAL TITLE*

LAURENCE N. STRENGER*
CHRISTINE S. CUDDY*
JAMES M. A. MURPHY*
WILLIAM J. BIRD*
J. HALLECK HOELAND*
MAREN CHRISTENSEN*
MATTHEW H. SAVER*
MELANIE COOK*
KAREN GARVER*
JAMES B. GOODMAN*
MARYANNE LA GUARDIA*
JOHN J. STUMREITER*
THOMAS LARRY WATTS*
ROBERT H. ROTSTEIN*
MICHAEL T. SHEPHERD*
FREDERIC E. SCHREYER*
LEE M. CORT*
CLIFFORD W. GILBERT*
SONDRA BERCHIN*
DAVID C. MCGOVERN*
MARIANNE DOZIER VOGT*
DONALD E. KARL*

November 17, 1980

*A PROFESSIONAL CORPORATION

Mr. Larry Brennan
Scientology Publications
Organization
Store Kongensgade 55, 1264
Copenhagen K, DENMARK

Re: L. Ron Hubbard: An Authorized Biography

Dear Larry:

Thank you for your November 10, 1980 letter concerning the above matter.

I am advised that Mr. Hubbard has approved Omar V. Garrison as the author of a literary work based on his life (hereafter "the Biography"). I am further advised that Mr. Hubbard is willing to make his personal files and records available to PDK and Mr. Garrison. In addition to all of the personal letters, journals, diaries, photographs, etc. set forth in your letter, we will also be able to provide you with family trees and histories written by Mr. Hubbard's father.

Since Mr. Hubbard's personal records and his authorization of Mr. Garrison's endeavors are vital to the success of this project, and since Mr. Hubbard's personal services will be necessary to locate, sort through, compile and identify thousands and thousands of documents, photographs and memorabilia (hereafter "the Archives"), we should agree on a fair and equitable means of compensating Mr. Hubbard for his contributions to the Biography.

Subject to Mr. Hubbard's approval and the approval of his financial and tax advisors, I suggest the following:

Next EXHIBIT # (1) pg 183
DATE 11-8-80
RE [Signature]
KERYL GILLET, N.P.

Mr. Larry Brennan
November 17, 1980
Page Two

First, while Mr. Hubbard may be willing to waive an up-front payment or advance, he must be reimbursed for his out-of-pocket expenses in connection with the compilation of the Archives, including, without limitation, salaries paid to employees hired by him in connection with said compilation, office supplies, duplicating costs, postage and any necessary travel expenses.

Second, before the Archives are delivered or made available to PDK, to Mr. Garrison or to any other approved third party, the safety and security of the Archives must be totally assured. I would appreciate your suggestions on this; at a minimum, PDK should purchase, at its expense, a policy or policies of insurance.

Third, Mr. Hubbard's actual compensation should be divided into two parts: one in consideration of his compilation and consulting services; and another in consideration of his authorization of the Biography and his permission to utilize the Archives in connection therewith. With respect to his services, I think Mr. Hubbard should receive the same royalty as Mr. Garrison. In consideration of his authorization and permission as aforesaid, I think Mr. Hubbard should receive amounts equal to the difference between his royalty and 50% of PDK's net proceeds.

As used in the preceding sentence, "net proceeds" means PDK's gross receipts derived from the sale and other exploitation of the Biography throughout the world, less actual monies spent by PDK (and not reimbursed) on account of printing costs, advertising, shipping, taxes and the royalties paid to Messrs. Garrison and Hubbard. No deduction should be made for overhead (e.g., rent, employees' salaries) or distribution fees. Where any of the foregoing costs (e.g., shipping, advertising) relates to the Biography and any other work(s) published by PDK, allocations must be made in a fair and reasonable manner. Mr. Hubbard's royalty and his share of the net proceeds should be paid on a quarterly basis, and an accounting statement should be enclosed with each such payment.

Fourth, as indicated above, Mr. Hubbard will consult with Mr. Garrison at reasonable times, subject, of course, to Mr. Hubbard's availability and subject to reimbursement for first-class transportation and reasonable living expenses. We

H 1 ps 2

LAW OFFICES
ROSENFELD, MEYER & SUSMAN

Mr. Larry Brennan
November 17, 1980
Page Three

will also provide PDK and Mr. Garrison with a "letter of introduction" notifying potential interviewees that this is an authorized biography and requesting their cooperation therewith. In connection with the foregoing, however, it must be understood that Mr. Hubbard must have final approval over the manuscript. In the event of his disapproval for any reason, any and all passages which relate to or rely on the Archives, meetings with Mr. Hubbard or meetings with third parties who would not, but for the aforesaid letters of introduction, have consented to an interview, must be removed from the Biography.

Please review the foregoing proposal and give me your thoughts.

Kind regards.

Sincerely,

ALAN S. WERTHEIMER

ASW:dgn

bcc: ✓ Laurel Sullivan

#1 ps 3